

schedule that this, of course, is the revised fee schedule. It is found on pages 4 through 64 and 70 through 78 of the amendment. It is the replacement for the personal property tax that would be stripped with the other provisions in this bill. It, again, is another issue that has had much discussion. It impacts counties differently. It sets up three tiers, one for Douglas, one for Sarpy, and one for the balance of the state. Thirdly, there is the definition of real property that is redefined. This is the LB 1 issue from the special session in 1989. It specifically includes mobile homes as a real property that would fall within that definition and it takes, for 1992 and beyond, all the commercial, industrial and personal property is to be taxed except for LB 775 exempt property. So in this proposal that the Governor has before us, we would redefine real property. We would, in the (c) provision, we would take and remove all personal property, effective January 1, 1992. This has been known as the hammer, if you will, to work on a tax code over the summer. And it would exempt all property except for 775 exempt property. Section (d) of the handout would be the portion that deals with the depreciation in surcharge of 1.75 percent for the tax year '91, provides for the allocation of surcharge among partners subchapter (s) shareholders and trust beneficiaries, multistate corporations, appropriate depreciation in Nebraska in the same way as income. In other words, those are the people that this would apply to. That list that follows the 1.75 allocation is where it would be spread out, who it would be applicable to in terms of their income tax filing. Section (e) reduces the sales tax collection fee for retailers from 3 percent on the first 5,000 to 1 percent thereafter and to 1.5 in the first 1,000 and one-half thereafter. In other words, we cut the 3 percent fee in half on the...only the old schedule was from the first 5,000, the new schedule will be on the first 1,000 and 1/2 percent thereafter. So, in other words, you would receive 1.5 percent on the first 1,000 in tax you collect per month, thereafter it would be one-half a percent no matter how much was collected. This would, again, be a July 1 of '91 to July 1 of '92 for one fiscal year approach. Section (f) repeals the sales tax exemption for utility purchases, using agricultural, manufacturing and/or hospitals from July 1, '91 through July 1, '92. This is the other and the last of the funding mechanisms used to raise the approximately \$95 million. So, in other words, you have the surcharge in depreciation, the reduction in the sales tax collection fee, and then the repeal of the sales tax exemption on utilities in the commercial, industrial, and agricultural